

L511

Schedule K-1
(Form 1065)

2004

Department of the Treasury
Internal Revenue ServiceTax year beginning
and ending**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

Part I Information About the PartnershipA Partnership's employer identification number
22-3800350

B Partnership's name, address, city, state, and ZIP code

PRIVATE LABEL SOURCING, LLC
597 BROADWAY
NEW YORK, NY 10012C IRS Center where partnership filed return
CINCINNATI, OHD ☐ Check if this is a publicly traded partnership (PTP)E ☐ Tax shelter registration number, if anyF ☐ Check if Form 8271 is attached**Part II Information About the Partner**G Partner's identifying number
074-74-5839

H Partner's name, address, city, state, and ZIP code

BRUCE ALLEN
250 UPPER MOUNTAIN AVENUE
UPPER MONTCLAIR, NJ 07043I ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberJ ☒ Domestic partner ☐ Foreign partnerK What type of entity is this partner? **INDIVIDUAL****L Partner's share of profit, loss, and capital:**

	Beginning	Ending
Profit	50.0000000%	50.0000000%
Loss	50.0000000%	50.0000000%
Capital	50.8111000%	50.8111000%

M Partner's share of liabilities at year end:

Nonrecourse	\$ 1,291,632.
Qualified nonrecourse financing	\$ 0.
Recourse	\$ 0.

N Partner's capital account analysis:

Beginning capital account	\$ 2,912.
Capital contributed during the year	\$
Current year increase (decrease)	\$ 24,867.
Withdrawals & distributions	\$ 106,418.
Ending capital account	\$ -78,639.

☐ Tax basis ☒ GAAP ☐ Section 704(a) book
☐ Other (explain)

Final K-1 Amended K-1 OMB No. 1545-0099

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	154,093.	15 Credits & credit recapture	
2 Net rental real estate income (loss)		16 Foreign transactions	
3 Other net rental income (loss)			
4 Guaranteed payments	152,000.		
5 Interest income	727.		
6a Ordinary dividends		17 Alternative min tax (AMT) items	
6b Qualified dividends		B* 1,367.	
7 Royalties			
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses	
9a Net long-term capital gain (loss)		C* 24,766.	
9b Collections (28%) gain (loss)		19 Distributions	106,418.
9c Unrecaptured sec 1250 gain		20 Other information	
10 Net section 1231 gain (loss)	12,075.	A 727.	
11 Other income (loss)			
12 Section 179 deduction	2,106.		
13 Other deductions			
14 Self-employment earnings (loss)			
A 306,093.			
C 2,163,841.			

*See attached statement for additional information.

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JVA For Privacy Act and Paperwork Reduction Act Notice, see Instructions for Form 1065.

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PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE K-1

ALTERNATIVE MINIMUM TAX, ADJUSTED
GAIN OR LOSS, BOX 17, CODE B

DESCRIPTION	AMOUNT	PARTNER FILING INSTRUCTIONS
SECTION 1231 GAIN OR LOSS	1,367.	SEE FORM 6251 INSTRUCTIONS

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	AMOUNT	PARTNER FILING INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	24,766.	NONDEDUCTIBLE PORTION

SCHEDULE K-1

CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT
ORDINARY INCOME (LOSS)	154,093.
INTEREST INCOME	727.
SECTION 1231 GAIN (LOSS)	12,075.
SECTION 179 EXPENSE	<2,106.>
GAIN/LOSS ON BOOKS AND NOT ON RETURN	43,496.
AMORTIZATION ON RETURN AND NOT ON BOOKS	1,000.
DEPRECIATION ON BOOKS AND NOT ON RETURN	<58,901.>
NONDEDUCTIBLE EXPENSES	<24,766.>
SEC. 263A ADJ - ENDING INVENTORY	<55,108.>
SECTION 481(A) ADJUSTMENT-2ND YEAR	<2,674.>
PENSION EXPENSE	<97,573.>
SEC. 263A ADJ - BEGINNING INVENTORY	24,580.
SECTION 461 ADJUSTMENT - PREPAID INSURANCE	15,770.
SECTION 461 ADJUSTMENT - PREPAID RENT	7,791.
LOSS ON ABANDONMENT OF FIXED ASSETS	6,463.
TOTAL TO SCHEDULE K-1, ITEM N	24,867.

SCHEDULE K-1

FOOTNOTES

LOSSES MAY BE LIMITED TO YOUR BASIS. PLEASE CONSULT
YOUR TAX ADVISOR.

Form **3115**
(Rev. December 2003)
Department of the Treasury
Internal Revenue Service

Pursuant to Rev. Proc. 2002-9
Application for Change in Accounting Method

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)	Identification number (see instructions)
PRIVATE LABEL SOURCING, LLC	22-3800350
Number, street, and room or suite no. If a P.O. box, see the instructions.	Principal business activity code number (see instructions)
597 BROADWAY	424300
City or town, state, and ZIP code	Tax year of change begins (MM/DD/YYYY) 01/01/2004
NEW YORK, NY 10012	Tax year of change ends (MM/DD/YYYY) 12/31/2004
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)	Name of contact person (see instructions)
	CHARLES J. SOCKETT
	Contact person's telephone number
	212-790-5700

If the applicant is a member of a consolidated group, check this box ☐If Form 2848, Power of Attorney and Declaration of Representative, is attached, check this box ☐

Check the box to indicate the applicant.

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Cooperative (Sec. 1381) |
| <input type="checkbox"/> Corporation | <input checked="" type="checkbox"/> Partnership |
| <input type="checkbox"/> Controlled foreign corporation (Sec. 957) | <input type="checkbox"/> S corporation |
| <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E)) | <input type="checkbox"/> Insurance co. (Sec. 816(a)) |
| <input type="checkbox"/> Qualified personal services corporation (Sec. 448(d)(2)) | <input type="checkbox"/> Insurance co. (Sec. 991) |
| <input type="checkbox"/> Exempt organization. Enter Code section ▶ | <input type="checkbox"/> Other (specify) ▶ |

Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)

- ☐ Depreciation or Amortization
- ☐ Financial Products and/or Financial Activities of Financial Institutions
- ☒ Other (specify) ▶

12 MONTH & 3 1/2 MONTH RULE

Caution: The applicant must provide the requested information to be eligible for approval of the requested accounting method change. The applicant may be required to provide information specific to the accounting method change such as an attached statement. The applicant must provide all information relevant to the requested accounting method change, even if not specifically requested by the Form 3115.

Part I Information For Automatic Change Request

- | | Yes | No |
|--|-----|----|
| 1 Enter the requested designated accounting method change number from the List of Automatic Accounting Method Changes (see instructions). Enter only one method change number, except as provided for in the instructions. If the requested change is not included in that list, check "Other," and provide a description.
▶ (a) Change No. 78 (b) Other <input type="checkbox"/> Description ▶ | | |
| 2 Is the accounting method change being requested one for which the scope limitations of section 4.02 of Rev. Proc. 2002-9 (or its successor) do not apply?
If "Yes," go to Part II. | X | |
| 3 Is the tax year of change the final tax year of a trade or business for which the taxpayer would be required to take the entire amount of the section 481(a) adjustment into account in computing taxable income?
If "Yes," the applicant is not eligible to make the change under automatic change request procedures. | | X |

Note: Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

Part II Information For All Requests

SEE STATEMENT 1

- | | Yes | No |
|--|-----|----|
| 4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)?
If you answered "No," go to line 5. | | X |
| 4b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)? | | |

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer

Preparer (other than filer/applicant)

Signature and date

Signature of individual preparing the application and date

Name and title (print or type)

CHARLES J. SOCKETT

Name of individual preparing the application (print or type)

MAHONEY COHEN & COMPANY, CPA, P.C.

Name of firm preparing the application

419921 12-01-04 LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form 3115 (Rev. 12-2003)

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Part II	Information For All Requests (continued)
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4c Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?

d Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)?
If "Yes," attach the consent statement from the director.

e Is the request to change the method of accounting being filed under the 90-day or 120-day window period?
If "Yes," check the box for the applicable window period and attach the required statement (see instructions).
☐ 90 day ☐ 120 day

f If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination.
Name ▶ _____ Telephone no. _____ Tax year(s) ▶ _____

g Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?

5a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court?
If "Yes," enter the name of the (check the box) ☐ Appeals officer and/or ☐ counsel for the government, and the tax year(s) before Appeals and/or a Federal court.
Name ▶ _____ Telephone no. _____ Tax year(s) ▶ _____

b Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?

c Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member)?
If "Yes," attach an explanation.

6 If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, provide each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.

7 If the applicant is an entity (including a limited liability company) treated as a partnership or S corporation for Federal income tax purposes, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity?
If "Yes," the applicant is not eligible to make the change.

8 Is the applicant making a change to which audit protection does not apply (see instructions)?

9a Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in accounting method within the past 5 years (including the year of the requested change)?

b If "Yes," attach a description of each change and the year of change for each separate trade or business and whether consent was obtained.

c If any application was withdrawn, not perfected, or denied, or if a Consent Agreement was sent to the taxpayer but was not signed and returned to the IRS, or if the change was not made or not made in the requested year of change, include an explanation.

10a Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in accounting method, or technical advice?

b If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in accounting method, or technical advice), and the specific issue(s) in the request(s).

11 Is the applicant requesting to change its overall method of accounting?
If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of the form.

Present method:	<input type="checkbox"/> Cash	<input type="checkbox"/> Accrual	<input type="checkbox"/> Hybrid (attach description)
Proposed method:	<input type="checkbox"/> Cash	<input type="checkbox"/> Accrual	<input type="checkbox"/> Hybrid (attach description)

12 If the applicant is not changing its overall method of accounting, attach a detailed and complete description for each of the following:

- a The item(s) being changed.
- b The applicant's present method for the item(s) being changed.
- c The applicant's proposed method for the item(s) being changed.
- d The applicant's present overall method of accounting (cash, accrual, or hybrid).

See Statement 1

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Part II Information For All Requests (continued)		Yes	No
13.	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application. <i>See Statement 1</i>		
14.	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions. If "No," attach an explanation. <i>See Statement 1</i>		
15a.	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?		
b.	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.		
16.	Does the applicant request a conference of right with the IRS National Office if the IRS proposes an adverse response? <i>COPY</i>	X	
17.	If the applicant is changing to or from the cash method or changing its method of accounting under sections 263A, 448, 460, or 471, enter the gross receipts of the 3 tax years preceding the year of change.		
	1st preceding year ended mo. yr. 2nd preceding year ended mo. yr. 3rd preceding year ended mo. yr.		
	\$ \$ \$		

Part III Information For Advance Consent Request		Yes	No
18.	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.		
19.	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. The applicant should include a discussion of any authorities that may be contrary to its use of the proposed method.		
20.	Attach a copy of all documents related to the proposed change (see instructions).		
21.	Attach a statement of the applicant's reasons for the proposed change.		
22.	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? If "No," attach an explanation.		
23a.	Enter the amount of user fee attached to this application (see instructions). \$		
b.	If the applicant qualifies for a reduced user fee, attach the necessary information or certification required by Rev. Proc. 2003-1 (or its successor) (see instructions).		

Part IV Section 481(a) Adjustment		SEE STATEMENT 2	Yes	No
24.	Do the procedures for the accounting method change being requested require the use of the cut-off method? If "Yes," do not complete lines 25, 26, and 27 below.			X
25.	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. \$ <u>-32,006</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.			
26.	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?			
27.	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? If "Yes," attach an explanation.			X

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